

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-1(b)	
<p>BROWN RUDNICK LLP Robert J. Stark, Esq. Kenneth J. Aulet, Esq. Bennett S. Silverberg, Esq. Seven Times Square New York, NY 10036 Telephone: (212) 209-4800 Fax: (212) 209-4801 Email: rstark@brownrudnick.com kaulet@brownrudnick.com bsilverberg@brownrudnick.com <i>Proposed Counsel for the Official Committee of Unsecured Creditors</i> -and- GENOVA BURNS LLC. Daniel M. Stolz, Esq. Donald W. Clarke, Esq. Gregory S. Kinoian, Esq. 110 Allen Rd., Suite 304 Basking Ridge, NJ 07920 Telephone: (973) 230-2095 Fax: (973) 533-1112 Email: DStolz@genovaburns.com DClarke@genovaburns.com GKinoian@genovaburns.com <i>Proposed Local Counsel for the Official Committee of Unsecured Creditors</i></p>	<p>BROWN RUDNICK LLP Stephen D. Palley, Esq. 601 Thirteenth Street, NW Washington, DC 20005 Telephone: (617) 536-1766 Fax: (617) 289-0466 Email: spalley@brownrudnick.com</p>
<p>In re:</p> <p>BLOCKFI INC., et al.,</p> <p style="text-align: right;">Debtors.¹</p>	<p>Chapter 11</p> <p>Case No. 22-19361 (MBK)</p> <p>Jointly Administered</p>

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC. (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

**SUPPLEMENTAL DECLARATION OF ROBERT J. STARK IN SUPPORT
OF APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF BROWN RUDNICK LLP AS COUNSEL
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF BLOCKFI INC., ET AL., *NUNC PRO TUNC* TO DECEMBER 29, 2022**

I, Robert J. Stark, declare under the penalty of perjury:

1. I am an attorney admitted to practice in the State of New York and am a member of the law firm of Brown Rudnick LLP (“Brown Rudnick”), resident in Brown Rudnick’s New York office at Seven Times Square, New York, NY 10036.

2. I submit this supplemental declaration (the “Supplemental Declaration”) in support of the *Application For Order Authorizing The Employment And Retention Of Brown Rudnick LLP As Counsel For The Official Committee Of Unsecured Creditors Of BlockFi Inc., Et Al., Nunc Pro Tunc To December 29, 2022* (the “Application”)² [Docket No. 400].

3. My original declaration in support of the Application (the “Original Declaration”) was attached to the Application as Exhibit B. I submit this Supplemental Declaration to provide additional disclosures in response to requests made by the U.S. Trustee. Except as otherwise indicated in this Supplemental Declaration, all facts stated in the Supplemental Declaration are based on personal knowledge, information learned from my review of relevant documents, and information supplied to me by Brown Rudnick’s partners or employees. If called upon to testify, I could and would testify on that basis.

ADDITIONAL DISCLOSURES

4. As noted in paragraph 10(e) of the Original Declaration, Brown Rudnick previously rendered limited work for certain Morgan Creek funds in connection with BlockFi. These Morgan

² Capitalized terms not otherwise defined in this Declaration shall have the meanings ascribed to them in the Application.

Creek entities are: Morgan Creek Private Opportunities Fund LLC Series H – BlockFi, and Morgan Creek Private Opportunities LLC Series K – BlockFi.

5. In paragraph 10 of the Original Declaration, Brown Rudnick identified the Commonwealth of The Bahamas and the Securities Commission of The Bahamas (“SCB”) as current clients of the Firm. By way of additional disclosure:

a. As of February 1, 2023, Brown Rudnick does not represent either The Bahamas or the SCB in any active matters.

b. We note that neither The Bahamas nor the SCB serves in any fiduciary role over the estate of FTX Digital Markets Ltd. (“FTX DM”) or any other estate related to the FTX insolvency proceedings. The court administering the insolvency proceedings of FTX DM appointed independent joint provisional liquidators (collectively, the “JPLs”): Brian Simms of LennoxPaton, Kevin Cambridge of PwC Bahamas, and Peter Greaves of PwC Hong Kong. The JPLs are responsible for marshalling the assets of FTX DM and reconciling the claims against FTX DM. The JPLs report to the court administering the insolvency proceedings of FTX DM and not to either The Bahamas or the SCB. Accordingly, neither The Bahamas nor the SCB will have a role in asserting the potential claims FTX DM may have against the Debtors or defending against any claims that FTX DM may have against the Debtors.

c. The protective transfer the SCB effected, mentioned in the Original Declaration in paragraph 10(b), predated Brown Rudnick’s engagement by the SCB. Accordingly, such action was taken without advice provided by Brown Rudnick. As the Original Declaration makes clear in paragraph 10(b), “[t]o the extent that the SCB itself conducts analyses or participates in proceedings to determine the ultimate entitlement to the transferred assets, Brown Rudnick will not participate in those analyses or proceedings.”

d. The Original Declaration, at paragraph 10(b), disclosed that Brown Rudnick was engaged to represent the SCB and The Bahamas in “certain related matters.” Such “certain related matters” refers to the now concluded public-relations work performed on behalf of The Bahamas.

For all of these reasons, Brown Rudnick has no potential or actual conflict of interest as between our representation of The Bahamas or the SCB and the Creditors’ Committee.

6. Attached hereto as Exhibit A is a proposed staffing plan and the current hourly rates of attorneys and other Brown Rudnick personnel who are likely to work on these Cases. Brown Rudnick may periodically amend or revise the staffing plan set forth in Exhibit A based on the

needs of the Cases and other factors. Brown Rudnick may amend the hourly rates set forth in Exhibit A consistent with the terms of the Application.

7. Attached hereto as Exhibit B is the *Declaration Of Elisabeth Carabas And Brendon Ishikawa As The Co-Chairs Of The Official Committee Of Unsecured Creditors In Support Of Application For Order Authorizing The Employment And Retention Of Brown Rudnick LLP And Genova Burns LLC As Counsel For The Official Committee Of Unsecured Creditors Of BlockFi Inc., et al.*

8. The Committee has approved Brown Rudnick's staffing plan and budget through March 2023.

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I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: February, 21, 2023

/s/ Robert J. Stark
Robert J. Stark

Exhibit A
(Staffing Plan)

<u>Attorney or Staff Name</u>	<u>Staff Level</u>	<u>Current USD Rate</u>
Aulet, Kenneth, J.	Partner	\$1,200
Axelrod, Tristan G.	Partner	\$1,000
Bedow, Rodney, A.	Partner	\$1,060
Bennett, Julia, V.	Marketing, Chief Officer	\$330
Benson, Jr., W. Lydell	Associate	\$765
Bouchard, Nicole M.	Partner	\$1,200
Buscarino, Anthony, F.	Associate	\$940
Chaykovskiy, Ivan	Associate	\$890
Cohen, Harriet E.	Paralegal	\$490
Dwoskin, Shari I.	Partner	\$1,025
Fahey, Jonathan	Counsel	\$1,025
Franzese, William (Trip)	Associate	\$635
Garcia, Stephanie, G.	Marketing, Staff	\$365
Gilman, E. Patrick	Partner	\$1,195
Guglielmotti, Vincent J.	Partner	\$1,375
Jacobs, Isabelle, R.	Associate	\$940
Jin, Daniel	Marketing, Staff	\$330
Jonas, Jeffrey L	Partner	\$1,650
Joynson, Nicholas	Associate	\$765
Kasnetz, Alexander, F.	Associate	\$890
Kealey, Chloe	Associate	\$605
Lennon, Hailey	Partner	\$975
Morris, Gordon	Litigation Support, Manager	\$590
Oldham, Susan G.	Paralegal	\$485
Palley, Stephen, D.	Partner	\$1,390
Ramirez, Julie, W.	Paralegal	\$470
Rizkalla, Andrew	Associate	\$635
Sawyer, Matthew, A.	Associate	\$890
Sieger-Grimm, Susan	Counsel	\$1,055
Silverberg, Bennett S.	Partner	\$1,390

<u>Attorney or Staff Name</u>	<u>Staff Level</u>	<u>Current USD Rate</u>
Stark, Robert J.	Partner	\$1,950
Vargas Rivera, Luis, A.	Associate	\$765
Vlachos, Helen	Librarian	\$420
Zackasee, Alexa, R.	Marketing, Staff	\$330

Exhibit B

(Committee Co-Chair Declaration)

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BROWN RUDNICK LLP Robert J. Stark, Esq. Kenneth J. Aulet, Esq. Bennett S. Silverberg, Esq. Seven Times Square New York, NY 10036 Telephone: (212) 209-4800 Fax: (212) 209-4801 Email: rstark@brownrudnick.com kaulet@brownrudnick.com bsilverberg@brownrudnick.com <i>Proposed Counsel for the Official Committee of Unsecured Creditors</i> -and- GENOVA BURNS LLC. Daniel M. Stolz, Esq. Donald W. Clarke, Esq. Gregory S. Kinoian, Esq. 110 Allen Rd., Suite 304 Basking Ridge, NJ 07920 Telephone: (973) 230-2095 Fax: (973) 533-1112 Email: DStolz@genovaburns.com DClarke@genovaburns.com GKinoian@genovaburns.com <i>Proposed Local Counsel for the Official Committee of Unsecured Creditors</i>	BROWN RUDNICK LLP Stephen D. Palley, Esq. 601 Thirteenth Street, NW Washington, DC 20005 Telephone: (617) 536-1766 Fax: (617) 289-0466 Email: spalley@brownrudnick.com
In re: BLOCKFI INC., et al., Debtors. ¹	Chapter 11 Case No. 22-19361 (MBK) Jointly Administered

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC. (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

**DECLARATION OF ELISABETH CARABAS AND BRENDON ISHIKAWA
AS THE CO-CHAIRS OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS IN SUPPORT OF APPLICATION FOR ORDER
AUTHORIZING THE EMPLOYMENT AND RETENTION OF
BROWN RUDNICK LLP AND GENOVA BURNS LLC AS COUNSEL FOR THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF BLOCKFI INC., ET AL.**

We, Elisabeth Carabas and Brendon Ishikawa, declare under the penalty of perjury:

1. We serve as the Co-Chairs of the Official Committee of Unsecured Creditors (the “Committee”) of BlockFi Inc. and its affiliated debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “Debtors”).

2. We submit this declaration (the “Co-Chair Declaration”) in support of the (i) *Application For Order Authorizing The Employment And Retention Of Brown Rudnick LLP As Counsel For The Official Committee Of Unsecured Creditors Of BlockFi Inc., et al., Nunc Pro Tunc To December 29, 2022* [Docket No. 400], and (ii) *Application For Retention Of Professional* requesting authorization to employ and retain Genova Burns LLC as local counsel to the Committee [Docket No. 399], and pursuant to section D.2 of the U.S. Trustee *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330 by Attorneys in Larger Chapter 11 Cases*.

3. Except as otherwise indicated herein, the facts set forth in this Co-Chair Declaration are based upon our respective personal knowledge, our review of relevant documents, or information provided to us by Brown Rudnick LLP (“Brown Rudnick”) or Genova Burns LLC (“Genova Burns”), as applicable. We are authorized to submit this Co-Chair Declaration on the Committee’s behalf. If called upon to testify, we would testify competently to the facts set forth herein.

4. On December 21, 2022, the U.S. Trustee formed the Committee in these cases. *See* Docket Nos. 130 and 131.²

5. On December 29, 2022, the Committee selected Brown Rudnick, subject to the Court's approval. The Committee considered more than a dozen law firms prior to selecting Brown Rudnick as counsel. In selecting Brown Rudnick as its counsel, the Committee considered its expertise in the relevant legal issues and experience in similar proceedings. Particularly, the Committee believes that Brown Rudnick's relevant experience in large chapter 11 cases and expertise in cryptocurrency and digital assets makes Brown Rudnick well-qualified to represent the Committee in these cases.

6. We believe that Brown Rudnick has become familiar with the Committee, the Committee's goals, the Debtors, and many of the potential legal issues that may arise in the context of these cases. We believe that for these reasons, Brown Rudnick is well qualified to represent the Committee.

7. Prior to the Petition Date, Brown Rudnick informed the Committee that they were obligated to retain New Jersey counsel to represent them in these Chapter 11 Cases. Brown Rudnick strongly recommended that the Committee retain Genova Burns. In recommending Genova Burns, Brown Rudnick expressed that Genova Burns had significant experience appearing before this Court on large committee matters and an in-depth knowledge of the local practice and procedure. The Committee relied on Brown Rudnick's recommendation and retained Genova Burns on that basis.

² An Amended Notice of Appointment of Official Committee of Unsecured Creditors was filed on December 22, 2022, to reflect certain non-substantive additions.

8. We have communicated with Brown Rudnick and Genova Burns regarding their proposed rates and terms of engagement for the Committee. Each firm has informed the Committee that its rates for bankruptcy representations are comparable to the rates that they charge for non-bankruptcy representations.

9. The Committee recognizes that it is its responsibility to closely monitor the billing practices of its counsel to ensure the fees and expenses paid by the estates remain consistent with the Committee's expectations and the exigencies of these cases. To achieve this goal, the Committee is taking specific steps, including closely monitoring professionals' attendance on committee calls and meetings. The Committee is also directing its professionals to engage in activities that are reasonably calculated to either preserve or expand the value of the Debtors' estates.

10. The Committee will review all applications for compensation submitted by Brown Rudnick and Genova Burns to ensure that the fees and costs incurred by the Committee's professionals are consistent with budget, appropriate in scope and amount, and that there has been no duplication with the Committee's other professionals.

11. The Committee will ensure discipline, predictability and accountability to the counsel fees and expenses reimbursement process.

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Pursuant to 28 U.S.C. § 1746, we declare under penalty of perjury that the foregoing is true and correct to the best of our knowledge and belief.

Dated: February 21, 2023
New York, New York

Respectfully submitted,

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS**

/s/ Elisabeth Carabas

Elisabeth Carabas, solely in her capacity as Co-Chair of
the Official Committee of Unsecured Creditors of
BlockFi Inc., *et al.*

/s/ Brendon Ishikawa

Brendon Ishikawa solely in his capacity as Co-Chair of
the Official Committee of Unsecured Creditors of
BlockFi Inc., *et al.*